CONTINUUM OF CARE (CoC) BOARD

Supplemental Meeting: FY2025 COC Funding Competition

SEPTEMBER 3TH | 3:00-5:00PM

VIRTUAL MEETING

<table>
<tr><th>TIME</th><th>NOTES</th></tr>
<tr><td>3-3:15</td><td>1. Welcome and Introductions</td></tr>
<tr><td>3:15pm</td><td>2. Kelli reviewed goals of the meeting

Kelli opened by asking if anyone had any general questions
No questions
Kelli reviewed observations on system impact and broke them up into 4 buckets

(1) Rating policy specificity impacts COC options for funding utilization
(2) Rating policy prioritization shapes systems
(3) Underspent/Returned COC funding creates ripple effects
(4) Intersection of data and SPM

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<tr><td>3:20pm</td><td>3. Rating Policy Specificity

Kelli reviewed what the current rating policy is. Explained it is used to create a structure to tell HUD what projects we want to receive COC funding. The large goal of the CoC competition is to grow annual renewal demand (ARD), which can grow that by having a high CoC score. Having a high CoC score means more money for projects.
One of her observations: the specificity and the impacts it might have for options: the specificity relates to which projects will be ranked in tier 1. Tier 1 is bucket of money that is safe and has been successful for retaining PSH. She agreed it made sense to keep PSH there.
Kelli stated she is curious about the purpose of the FRT and the local competition if NOT used to figure out which projects should be ranked in tier 1. She stated she was also curious about new organizations not being able to apply for new funding.
Kelli opened it up to the group to talk about specificity and the ranking policy.

Amanda C. shared some history (2013-2014) around CoC funding being reallocated to create more permanent housing, PSH, or RRH. She shared how goals have been to get new funding to do a new CE project or housing project, but it's important to keep the current stock the community has. She stated that with new funding we may look into creating a new

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	project, but it's important to the community to also maintain current stock. ◦ Ruth discussed utilization and diversity of the subcommittee (FRT specifically). ◦ Zach F shared they couldn't receive funding for PSH because some other legacy PSH projects are guaranteed to get funding. ◦ Jim M. shared that agencies in Washtenaw county are niche, and that we don't see a long list of agencies applying for different projects. He stated it could be difficult because Washtenaw County is competing against larger groups. He pointed out a concern for the future: Performance metrics around PSH because success rate is lower? • Kelli posed a question to the group: How do we maximize impact within a limited funding source with lots of things to consider? ◦ Amanda C. brought up infrastructure projects. She mentioned HMIS and how we haven't had more agencies join and that we've been specific about what projects go in HMIS. ◦ Jennifer H wanted to give more context regarding PSH housing. There is a mixture of agencies receiving funding and different commitments to funding sources. She brought up LIHTC funding sources and how this is a commitment. ◦ Zach F. mentioned evaluation and scores. He asked if other CoCs do this. ▪ Kelli shared that some do and some don't. Staffing is a contributing factor. Some CoCs have that as part of the ranking policy or general evaluation of how funding is used in the community. She placed emphasis on deciding what aligns with your priorities as a COC and thinking about earmarking bonus dollars for projects.
3:45pm	4. Rating policy system effects • Kelli explained that this is your competitiveness for funding growth. She shared that once the bonus funding comes, it is up to the CoC to allocate this bonus funding to new projects. She clarified that it doesn't have to be a new project, just a project that isn't currently CoC funded. She discussed prioritizing and ranking as tier 1 so the funding is guaranteed, however the consequences are that you could lose funding. She emphasized that it's important where projects are ranked on the tier system, and that it's up to the community to decide. • Kelli explained <u>Reallocation Bonus:</u> HUD has given additional points to CoCs who have reallocated funding. It's a carrot for CoCs to do this, by giving additional pointed to CoCs who do reallocate funding from one

	project to another. Kelli posed another question: What would your system actually need? She explained the ripple effects, planning being separate, and how one bucket of money is dependent on others. • Jennifer: Asked if we go over our priorities every year, and Kristin K confirmed that we do. • Kelli acknowledged that we've done this all along, but we know things are changing so she encouraged a strategic approach moving forward.

3:55pm	5. CoC Performance and Underspent Funds:
	• Kelli discussed underspent funds and their impact. She reviewed how funding is underspent and how funding is lost.
	    • She shared the competition is one way. Specifically, if you have projects that rank in tier 2. If the CoCs application to HUD scores not as well as other CoCs, projects in Tier 2 are less likely to be funded.
	    • The second way is if individual projects don't spend all the money that was awarded to them. Communities create their own standards of what is "acceptable." CoCs do have the ability to reallocate any of the unspent dollars to an existing project OR to fund a new project.
	    • Kelli examined the 2021-2024 projects, shared some insights, and opened it up to the group for additional context. Additional context was provided: COVID, low utilization of childcare, eviction moratorium, decline in movement in housing, etc.
	    • A discussion around FMR was had. Including, paying LLs, difficulty finding affordable housing units, and utilizing resources. Kelli stated that in most places, FMR is designated by HUD. FMR is a set by HUD based on what HUD thinks is the standard rent for that area per bedroom. HUD does increase it every year. They just don't typically increase as much as the actual area's rent is.
	• Ruth stated she'd like to better understand how to weigh risks and benefits of reallocating benefits. Kelli stated she would flag this for future conversation.
	• Dan also had questions about reallocation of funds. Kelli explained that organizations have the ability to shift 10% of each budget line item. She explained this can happen each year, so if you want to build up services, you'd have to do it slowly (10% each year). More than 10% requires an amendment from HUD.
	• A larger conversation was had about where in our community is a good place to discuss under-utilized units and resources. Kelli encouraged the CoC to support agencies to maximize funding. Kristin K. encouraged the community to have these conversations on a more intentional basis, but it's important to build infrastructure for future conversations. Kelli encouraged the community to come up with a strategy to build

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<tr><td></td><td>confidence that the money coming into our community is being used every year.</td></tr>
<tr><td>4:30pm</td><td>6. How CoC Performance Data is important for score and for funding availability

Kelli compared Washtenaw County's CoC scores from 2023 and 2024. Key takeaways: In 2023, Washtenaw County scored pretty well, above the median. In 2024, Washtenaw County scored below the median by 9 points. The largest reduction was system performance measures and system coordination.

System performance is the bucket that the vast majority of CoCs struggle with. This data is pulled from HMIS. HMIS is not used by all providers, for several reasons, which is affecting your SPMs. Washtenaw county scored well on retaining PSH, so that shows we're doing great at not exiting people to negative destinations. We are losing points by (1) not having all the system data in one place, (2) LOT homeless, and (3) exits to permanent housing.
A conversation was had about HMIS data and where the inconsistencies could be coming from. Some suggestions were agencies who aren't using HMIS, winter shelter, or VASH vouchers.
Dan suggested working with other CoCs and elevated what Kristin K said about touching base more intentionally. He suggested using CHP to talk about long length of stayers and to come up with strategic exit plans for those households.

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<tr><td>4:55pm</td><td>7. Closing

Kelli reviewed next steps:

The community will need to approve another rating policy.
There are still a lot of unknowns. Even though the NOFO isn't out yet, we've talked about a lot of different CoC fundings and the way the competition works and competing factors.
Kelli captured the community's importance around prioritizing housing.
Kelli will create a feedback survey of sorts to send to everyone with specific questions about rating policy and prioritization policy for this year.
Kristin K reflected that infrastructure is sticking out as a priority and suggested having another meeting to dive into this.
Amanda C. reflected on Housing First and the community's commitment to that. She pointed out some anticipated misalignment with that.

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	• Kelli stated that we didn't have time to discuss that today, but she would encourage everyone to think about what the community's non-negotiables and values are.
5:00pm	8. Meeting finished